Ref: Declaration Sec. 11.02

Penalties and Fines Rules

The Augusta Shores Owners Association Declaration of Protective Covenants, Conditions and Restrictions (The "Declaration") section 11.02b states the following:

<u>Penalties and Fines</u>. In addition or as an alternative to an action at law or suit in equity, the Board of Directors of the Association may, with respect to any violation of this Declaration or of the By-Laws or rules and regulations of the Association or of any committee of the Association, and after affording the alleged violator a reasonable opportunity to appear and be heard, establish monetary and non-monetary penalties, the amount and/or severity of which shall be reasonably related to the violation and to the aim of deterring similar future violations by the same or any other person. Monetary penalties imposed against a Lot Owner or occupant of a Lot shall be deemed a Special Assessment against the Owner of such Lot and, as such, shall be a charge and continuing lien upon such Lot, shall constitute a personal obligation of the Lot Owner, and shall be collectible in the same manner as Assessments under Article V of this Declaration.

The Board of Directors of Augusta Shores Owners Association (the "Board") establishes Penalties and Fines as follows:

Violation	Penalties	Fines
Class A	Actual Cost plus \$5.00 per occurrence.	
Class B		\$10.00 per day.
Class C		\$10.00 per day for the first 90 days, then \$20.00 per day thereafter.
Class D		\$250.00 per day

Class A: Generally applied to work performed by the Association or its contractor to correct a violation on behalf of the Lot Owner, such as mowing, road cleanup, accident prevention, or damage to Association Common Ground or Capital Assets.

Class B: Generally applied to minor violations of the Declaration where cost to the association, cost to neighbors, safety/hazardous conditions, physical damage to association or neighboring properties is not involved.

Class C: Generally applied to violations of the Declaration where a residence or building site is not completed in a timely manner, unkempt, unsightly, etc.

Class D: Applied to noise generating activity outside of the time schedule established in the Augusta Shores Rules for Building.

Penalties and Fines will be continuing until the violation is corrected.

Penalties and Fines will be invoiced monthly in arrears, due upon receipt and shall be deemed a Special Assessment against the Lot Owner and, as such, shall be a charge and continuing lien upon such Lot, shall constitute a personal obligation of the Lot Owner, and shall be collectible in the same manner as Assessments under Article V of the Declaration and any Rules then in effect regarding Assessments.

These Rules will take effect immediately and will replace the Rules adopted by the Board of Directors January 7, 2006 and August 12, 2006; and are subject to change at any time.